

**FINAL TERMS**

relating to

**COMMERZBANK AKTIENGESELLSCHAFT**

**EUR 10,000,000 Structured Notes of 2007/2013**

issued under the

**EURO 25,000,000,000**  
Medium Term Note Programme

of

**COMMERZBANK AKTIENGESELLSCHAFT**

Date of the Final Terms: 19 November 2007

Series No.: 614

This document constitutes the Final Terms relating to the issue of Notes under the Euro 25,000,000,000 Debt Issuance Programme of Commerzbank Aktiengesellschaft (the "**Programme**") and shall be read in conjunction with such Prospectus as supplemented from time to time. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus is available for viewing in electronic form at the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and at the following website of Commerzbank Aktiengesellschaft ([www.newissues.de](http://www.newissues.de)) and copies may be obtained from Commerzbank Aktiengesellschaft, Kaiserplatz, D-60261 Frankfurt am Main. The Issuer assumes responsibility for the contents of these Final Terms. Terms not otherwise defined herein shall have the meanings specified in the Programme Terms and Conditions. All references in these Final Terms to numbered Sections are to sections of the Programme Terms and Conditions.

The Programme Terms and Conditions of the Notes dated February 20, 2007 shall be amended by incorporating the terms of the Final Terms, and by deleting all provisions not applicable to this Series of Notes (the "**Consolidated Terms**"). The Consolidated Terms shall replace the Programme Terms and Conditions of the Notes dated February 20, 2007 in their entirety. If and to the extent the Consolidated Terms deviate from the other terms of this document, the Consolidated Terms shall prevail.

#### I.

#### Conditions to be inserted into the Terms and Conditions of the Notes:

<b>Consolidated Terms / Supplemented Terms</b>	Consolidated Terms
	<b>§ 1 Form</b>
<b>Name of the Issuer</b>	Commerzbank Aktiengesellschaft
<b>Issue Currency</b>	Euro (" <b>EUR</b> ")
<b>Aggregate Principal Amount</b>	EUR 10,000,000
<b>Global Note / Definitive Notes</b>	Global Note
<b>New Global Note (NGN)</b>	No
<b>Specified Denomination(s)</b>	EUR 100
<b>US Selling Restrictions</b>	TEFRA C
<b>Clearing System / Common Depository</b>	Deutsche Bank AG, Frankfurt am Main shall be the common depository for Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme, Luxembourg (together the " <b>Clearing System</b> ")

#### **§ 2 Interest**

<b>Type of Notes</b>	Structured Notes
----------------------	------------------

There are no periodic interest payments on the Notes.

#### **§ 3 Repayment**

The wording of § 3 of the Programme Terms and Conditions will be in its entirety replaced by the following:

### § 3 Repayment<sup>1</sup>

- (1) The Notes shall be redeemed on 14th December 2013 (the "**Redemption Date**") at an amount in the Issue Currency (the "**Final Redemption Amount**") determined by the Calculation Agent (§ 9) in accordance with the following formula:

$$N \times \left( 100\% + \max \left[ 0\%; \frac{\text{Basket}_{\text{final}} - \text{Basket}_{\text{initial}}}{\text{Basket}_{\text{initial}}} \right] \right)$$

where

N = Denomination (EUR 100)

Basket<sub>final</sub> = Arithmetic mean of the Value of the Basket on the Averaging Dates

Basket<sub>initial</sub> = Initial Value of the Basket

- (2) For the purposes of these Terms and Conditions of the Notes, the following definitions shall apply:

"**Averaging Date**" with respect to a Basket Component means the following dates:

	8 June 2009	7 September 2009	7 December 2009
8 March 2010	7 June 2010	6 September 2010	6 December 2010
7 March 2011	6 June 2011	6 September 2011	6 December 2011
6 March 2012	6 June 2012	6 September 2012	6 December 2012
6 March 2013	6 June 2013	6 September 2013	Valuation Date

If on an Averaging Date the closing level of a Basket Index or the NAV of the Shares is not determined and published or if in the opinion of the Calculation Agent there is a Market Disruption Event with respect to a Basket Index on an Averaging Date, then the Averaging Date for the affected Basket Index or the Fund and its Shares, as the case may be, shall be deemed to be the next calendar day on which the closing level of the respective Basket Indices or the NAV of the Shares, as the case may be, is again determined and published and on which there is no Market Disruption Event with respect to such Basket Index. For the avoidance of doubt: the Averaging Date for the Basket Index which was determined and published without the occurrence of a Market Disruption Event or the Averaging Date on which the NAV of the Shares was determined and published shall not be postponed.

If according to the provisions above the Valuation Date for a Basket Index is postponed until the third Banking Day prior to the Redemption Date and if on this day the closing level of such Basket Index is still not determined and published or if, in the opinion of the Calculation Agent, a Market Disruption Event occurs with regard to such Basket Index, then the Calculation Agent will calculate the closing level of the Basket Index on such date by applying the calculation method for the Basket Index last in effect. For the purpose of such calculation, the Calculation Agent will calculate the closing level of the Basket Index on the basis of the prices of the securities comprising the Basket Index on such day at the time the closing level of the Basket Index is usually determined (the "**Calculation Time**"). If the trading of one or more securities being relevant for such calculation is limited or suspended on such date, the Calculation Agent will estimate at its own discretion (§ 315 of the German Civil Code (*BGB*)) the price of the relevant securities at the Calculation Time after consultation with an independent expert and in consideration of the prevailing market conditions.

If according to the provisions above the NAV of the Shares for the Valuation Date is not determined for whatever reason (other than in the case of the Substitution of the Fund

<sup>1</sup> Definitions of terms in capital letters are contained in § 3 paragraph 4

according to § 3) until the third Fund Business Day prior to the Redemption Date, then the Calculation Agent will determine, in its sole discretion, the NAV of the Shares which would represent its fair market value.

**"Banking Day"** means a day on which commercial banks in Frankfurt am Main are open for business.

**"Basket"** means a basket composed of the following Basket Components:

<b><i>Basket Components</i></b>	<b><i>Strike Price</i></b>	<b><i>Weighting of the Basket Component</i></b>
HSI	Reference Price of the HSI as of the Strike Date	20%
SGY	Reference Price of the SGY as of the Strike Date	20%
TWY	Reference Price of the TWY as of the Strike Date	20%
HSBCINE	Reference Price of the Shares as of the Strike Date	40%

**"Basket Component"** means each Basket Index and the Fund or its Sub-Fund, respectively.

**"Basket Index"** means any of the following:

- the Hang Seng Index (Bloomberg Ticker: HSI Index) (the "**HSI**") as calculated and published by HSI Services Limited (a "**Sponsor**") pursuant to a license granted by Hang Seng Data Services Limited;
- the MSCI Singapore Index (Bloomberg Ticker: SGY Index) (the "**SGY**") as calculated and published by Morgan Stanley Capital International, Inc. (a "**Sponsor**");
- the MSCI Taiwan Index (Bloomberg Ticker: TWY Index) (the "**TWY**") as calculated and published by Morgan Stanley Capital International, Inc. (a "**Sponsor**").

**"Conversion Rate"** means a conversion rate of USD 1 = EUR 1.

**"Fund"** means HSBC Global Investment Funds, an open-ended investment company established as *Société d'Investissement à Capital Variable* (SICAV) under the laws of the Grand Duchy of Luxembourg, or, as the case may be, the Sub-Fund.

**"Fund Business Day"** means each day on which the NAV of the Shares is usually determined and published (or made available) according to the Memorandum.

**"Fund Management"** means the management of the Fund which includes (i) any entity specified in the Memorandum which is responsible for providing investment management advice to the Fund and/or to any relevant third party, and/or (ii) any entity or individual who is responsible to manage the business and the affairs of the Fund, and/or (iii) any individual or group of individuals specified in the Memorandum who is/are responsible for overseeing the activities of the Fund and/or (iv) any entity specified in the Memorandum that is responsible for the administration of the Fund and the determination and publication of the NAV of the Shares.

**"Initial Value of the Basket"** means EUR 100.

**"Market Disruption Event"** with respect to a Basket Index means any suspension of or limitation imposed on trading in the stocks comprising a Basket Index on the stock exchanges or trading systems the prices of which are the basis for the calculation of the respective Basket Index, provided that in the opinion of the Calculation Agent in any such case such suspension or limitation is material for the calculation of the Basket Index.

A limitation on the hours or days of trading does not constitute a Market Disruption Event provided that such limitation results from an announced change in the regular business

hours of the relevant stock exchange or trading system. A limitation imposed on trading during the day by reason of movements in price exceeding the limits permitted by the relevant stock exchange or trading system does only constitute a Market Disruption Event if it still occurs at the end of trading on such day.

**"Memorandum"** means the Prospectus in relation to HSBC Global Investment Funds dated December 2004, as amended and supplemented from time to time

**"Multiplier"** means a decimal figure (rounded, if necessary, to the fifth digit, with 0.000005 being rounded upwards) reflecting the Weighting of the respective Basket Component. It is calculated by (i) multiplying the Initial Value of the Basket with the Weighting of the respective Basket Component and (ii) dividing the resulting figure by the Strike Price of the respective Basket Component.

**"NAV"** means the net asset value of a Share as determined and published (or made available) according to the Memorandum.

**"Reference Price"** with respect to a Basket Index means the closing price of such Index as determined and published by the relevant Sponsor (whereby one point of the Index shall be equal to EUR 1), and with respect to the Fund (or Sub-Fund, respectively), the official NAV of the Shares as determined in accordance with the Memorandum and converted into the Issue Currency at the Conversion Rate.

**"Share"** means one share of Indian Equity denominated in U.S. Dollar ("**USD**") (Bloomberg Ticker HSBCINE LX Equity) ("**HSBCINE**"), a sub-fund of the Fund.

**"Strike Date"** means 6 December 2007.

**"Strike Price"** is the price detailed as such in the table in the definition of "Basket".

**"Sub-Fund"** means HSBC Global Investment Funds – Indian Equity, which is a sub-fund of the Fund.

**"Substitution Event"** means any of the following events which the Calculation Agent in its sole discretion determines to be a Substitution Event with respect to the Fund and its Shares:

1. The implementation of any change to the terms and conditions of the Fund, as detailed in the Memorandum and as notified in advance by the Fund Management, which, in the sole opinion of the Calculation Agent, is of a material nature including but not limited to such changes as (i) a change in the risk profile of the Fund; (ii) a change in the voting rights, if any, associated with the voting shares of the Fund; (iii) an alteration to the investment objectives of the Fund; or (iv) a change in the currency in which the Share are denominated so that the NAV is quoted in a different currency from that in which it was quoted on the Trade Date;
2. The breach of the investment objectives of the Fund (as defined in the Memorandum) if such breach, in the sole opinion of the Calculation Agent, is of a material nature;
3. The imposition or increase of subscription and/or redemption fees, or taxes or other similar fees, payable in respect of a purchase or redemption of the Shares after the Trade Date;
4. If the Fund Management fails for reasons other than of a technical or operational nature, to calculate the NAV of the Shares for five consecutive Fund Business Days;
5. If the activities of the Fund, its sub-funds and/or the Fund Management are placed under review by their regulators for reasons of wrongdoing, breach of any rule or regulation or other similar reason;
6. The compulsory redemption of the Shares by the Fund for any reason prior to the Redemption Date;
7. If the issue of additional shares of the Fund or its sub-funds or the redemption of existing Shares is suspended and if any such suspension continues for five consecutive

Fund Business Days;

8. The winding-up or termination of the Fund or any of its sub-funds for any reason prior to the Redemption Date;

9. If the Fund is superseded by a successor fund (the "**Successor**") following a merger or similar event unless, in the sole opinion of the Calculation Agent, the Successor has similar investment objectives to those of the Fund, is incorporated in the same jurisdiction as the Fund (or another jurisdiction acceptable to the Calculation Agent), is denominated in the same currency as the Fund and is managed and administered by one or more individuals who, or corporate entities which, are reputable and experienced in their field;

10. The cancellation of the registration, or of the approval, of the Fund and/or the Fund Management by any relevant authority or body;

11. The replacement of the Fund Management by the Fund unless, in the sole opinion of the Calculation Agent, the relevant replacement is an individual or group of individuals who, or a corporate entity which, is reputable and experienced in their field;

12. Any change in the accounting, regulatory or tax treatment applicable with respect to the Fund which could have an economic impact for the Issuer, its affiliates or any other designated hedging entity;

13. Any other event in respect of the Fund which, in the opinion of the Calculation Agent, has an analogous effect to any of the events specified in these Terms and Conditions.

"**Trade Date**" means 5 November 2007.

"**Valuation Date**" means 6 December 2013, subject to postponement in accordance with the provisions stipulated in the definition of "Averaging Date".

"**Value of the Basket**" means the sum of the Reference Prices of the Basket Components on an Averaging Date, each of such Reference Prices multiplied with its relevant Multiplier.

"**Weighting**" with respect to a Basket Component means the percentage detailed as such in the table in the definition of "Basket".

- (3) Upon the occurrence of an event which the Calculation Agent determines to be a Substitution Event in relation to the Fund (the "**Removal Date**"), the Calculation Agent will use reasonable efforts to identify an alternative fund in substitution for the Fund (the "**Successor Fund**"). The Successor Fund will be a fund with similar characteristics, investment objectives and policies to those of the Fund, immediately prior to the occurrence of the Substitution Event.

Any reference made in these Terms and Conditions to the Fund shall, with effect from the Removal Date, be deemed as reference to the Successor Fund and all related definitions shall be amended accordingly. Furthermore, the Calculation Agent will make all necessary adjustments to these Terms and Conditions resulting from a substitution of the Fund.

- (4) If a Basket Index is no longer calculated and published by the relevant Sponsor but by another person, company or institution acceptable to the Calculation Agent as the new Sponsor (the "**Successor Sponsor**"), the Value of the Basket will be calculated on the basis of the respective Index being calculated and published by the respective Successor Sponsor and any reference made to the Sponsor shall, if the context so admits, then refer to the relevant Successor Sponsor.

If at any time a Basket Index is cancelled or replaced, the Calculation Agent will determine another index on the basis of which the Value of the Basket shall be calculated (the "**Successor Basket Index**"). The respective Successor Basket Index as well as the time of its first application will be notified as soon as possible pursuant to § 12. Any reference made to the respective Basket Index in these Terms and Conditions of the Notes shall, if the context so admits, then refer to the respective Successor Basket Index.

If in the opinion of the Calculation Agent a determination of a Successor Basket Index is not feasible (for whatever reason) or if the Sponsor materially modifies the calculation method of a

Basket Index with effect on or before an Averaging Date, or materially modifies the Basket Index in any other way (except for modifications which are contemplated in the calculation method of the Index relating to a change with respect to securities comprising the Basket Index or with respect to any other routine measures), the Calculation Agent or an expert appointed by the Issuer will continue the calculation of the Index on the basis of the former concept of the Index and its last determined level. Such continuation has to be published without delay pursuant to § 12.

- (5) All taxes, duties or other charges in connection with the redemption of the Notes are to be borne and paid by the Noteholders.

#### **§ 4**

#### **Early Redemption, Repurchase of Notes**

<b>Issuer's Call Option</b>	No
<b>Noteholder's Put Option</b>	No
<b>Calculation of Early Redemption Amount</b>	If the Notes are called for redemption due to an event having occurred as described in § 10, the Notes shall be redeemed at the early redemption amount (the " <b>Early Redemption Amount</b> ") which shall be determined as the fair market value (disregarding credit risk of the Issuer) minus the reasonable cost to the Issuer of unwinding any related hedging arrangements on such day as is selected by the Calculation Agent in its sole and absolute discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note).

#### **§ 5**

#### **Payments**

<b>Payment Business Day, § 5 paragraph 3</b>	Each day (other than a Saturday or Sunday) on which commercial banks are open for business in London and on which the Trans-European Automated Real-Time Gross settlement Express Transfer system (TARGET-System) and the Clearing System settle payments in Euro
--	---

#### **§ 6**

#### **Taxes**

<b>Applicability of § 6 paragraph 3</b>	Yes
---	-----

#### **§ 8**

#### **Status**

<b>Status</b>	Senior
---------------	--------

#### **§ 9**

#### **Paying Agents, Calculation Agent**

<b>Principal Paying Agent</b>	Commerzbank Aktiengesellschaft
-------------------------------	--------------------------------

**Calculation Agent**

Commerzbank Aktiengesellschaft

**§ 10  
Termination**

**Applicability**

Yes

**§ 11  
Substitution of Issuer**

**Applicability**

Yes

**§ 12  
Notices**

**Publications**

Clearing System

**§ 13  
Final Clauses**

**Legally binding Language**

English

II.

**Other Conditions which shall not be inserted in the Terms and Conditions of the Notes and which apply to all Notes**

<b>Issue Date</b>	6 December 2007
<b>Issue Price</b>	100%
<b>Offer Period</b>	Subscription period from 19 November 2007 to 5 December 2007. The subscription period may be extended or shortened.
<b>German Securities Identification No.</b>	CB8ANN
<b>Common Code</b>	033044526
<b>ISIN</b>	XS0330445262
<b>Intended to be held in an ECB eligible manner</b>	No
<b>Printing and delivery arrangements for Definitive Notes</b>	No Definitive Notes will be printed
<b>Special issuance / payment instructions, clearing System</b>	Lead Manager/Purchaser - Commerzbank Aktiengesellschaft - CBL Account No. 84505
<b>Delivery:</b>	Delivery free of payment
<b>Transaction to be a syndicated issue</b>	No
<b>Details (names and addresses) of Manager(s) / Purchaser(s) and underwriting commitment</b>	Lead Manager Commerzbank Aktiengesellschaft
<b>Management and Underwriting Commission</b>	Not Applicable
<b>Selling Concession</b>	Not Applicable
<b>Additional Selling Restrictions</b>	Not Applicable
<b>Date of Syndication Agreement</b>	Not Applicable
<b>Stabilising Agent</b>	Not Applicable
<b>Investor Category</b>	Public offering in The Netherlands
<b>Ratings</b>	The Issuer has been rated as follows:  S & P: A Moody's: Aa3
<b>Interests of natural and legal persons involved in the issue/offer</b>	Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.
<b>Reasons for the offer, estimated net proceeds and total expenses</b>	
(i) Reasons for the offer	The net proceeds will be used for general corporate purposes.

(ii) Estimated net proceeds EUR 10,000,000

(iii) Estimated total expenses None

Indication of yield: Not Applicable

Performance of Index/Formula/other variable, explanation of effect on value of investment and associated risks and other information concerning the underlying

The information included herein with respect to the Basket Components to which the Notes are linked (the "**Reference Assets**") consists only of extracts from, or summaries of, publicly available information. The Issuer accepts responsibility that such information has been correctly extracted or summarised. No further or other responsibility in respect of such information is accepted by the Issuer. In particular, the Issuer accepts no responsibility in respect of the accuracy or completeness of the information set forth herein concerning the Reference Assets of the Notes or that there has not occurred any event which would affect the accuracy or completeness of such information.

Information on the Basket Components is available free of charge in the internet: [www.comdirect.de](http://www.comdirect.de)

Market disruption or settlement disruption events that may affect the underlying

See Annex

## ANNEX

### Consolidated Terms

#### Terms and Conditions of the Notes

The following terms and conditions of the Notes apply to the Notes issued as Series No. 614 under the Euro 25,000,000,000 Medium Term Note Programme of Commerzbank Aktiengesellschaft (the "**Programme**").

#### § 1 Form

- (1) This issue of Commerzbank Aktiengesellschaft, Frankfurt am Main, Federal Republic of Germany (the "**Issuer**") is issued in Euro ("**EUR**") (the "**Issue Currency**") in the aggregate principal amount of EUR 10,000,000 (in words: ten million Euro) represented by notes (the "**Notes**") payable to bearer and ranking pari passu among themselves in the denomination of EUR 100 (the "**Denomination**") each.

The Notes will initially be represented by a permanent global bearer note (the "**Global Note**"). The Global Note shall be deposited with Deutsche Bank AG, Frankfurt am Main, as common depositary for Clearstream Banking, société anonyme, Luxembourg ("**CBL**") and Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") (together the "**Clearing System**").

- (2) The Global Note shall only be valid if it bears the hand-written signatures of two authorised officers of the Issuer and the control signature of a person instructed by Commerzbank Aktiengesellschaft.
- (3) The Noteholders shall receive co-ownership participations or rights in the Global Note which are transferable in accordance with applicable law and the rules and regulations of the Clearing System.
- (4) The term "**Noteholder**" in these Terms and Conditions of the Notes refers to the holder of a co-ownership participation or right in the Global Note.
- (5) The Issuer reserves the right to issue from time to time without the consent of the Noteholders additional Notes with substantially identical terms, so that the same shall be consolidated to form a single Series of Notes and increase the aggregate principal amount of the Notes. The term "Notes" shall, in the event of such consolidation, also comprise such additionally issued notes.

#### § 2 Interest

There are no periodic interest payments on the Notes.

#### § 3 Repayment<sup>2</sup>

- (1) The Notes shall be redeemed on 14 December 2013 (the "**Redemption Date**") at an amount in the Issue Currency (the "**Final Redemption Amount**") determined by the Calculation Agent (§ 9) in accordance with the following formula:

---

<sup>2</sup> Definitions of terms in capital letters are contained in § 3 paragraph 2.

$$N \times \left( 100\% + \max \left[ 0\%; \frac{\text{Basket}_{\text{final}} - \text{Basket}_{\text{initial}}}{\text{Basket}_{\text{initial}}} \right] \right)$$

where

N = Denomination (EUR 100)

Basket<sub>final</sub> = Arithmetic mean of the Value of the Basket on the Averaging Dates

Basket<sub>initial</sub> = Initial Value of the Basket

- (2) For the purposes of these Terms and Conditions of the Notes, the following definitions shall apply:

"**Averaging Date**" with respect to a Basket Component means the following dates:

	8 June 2009	7 September 2009	7 December 2009
8 March 2010	7 June 2010	6 September 2010	6 December 2010
7 March 2011	6 June 2011	6 September 2011	6 December 2011
6 March 2012	6 June 2012	6 September 2012	6 December 2012
6 March 2013	6 June 2013	6 September 2013	Valuation Date

If on an Averaging Date the closing level of a Basket Index or the NAV of the Shares is not determined and published or if in the opinion of the Calculation Agent there is a Market Disruption Event with respect to a Basket Index on an Averaging Date, then the Averaging Date for the affected Basket Index or the Fund and its Shares, as the case may be, shall be deemed to be the next calendar day on which the closing level of the respective Basket Indices or the NAV of the Shares, as the case may be, is again determined and published and on which there is no Market Disruption Event with respect to such Basket Index. For the avoidance of doubt: the Averaging Date for the Basket Index which was determined and published without the occurrence of a Market Disruption Event or the Averaging Date on which the NAV of the Shares was determined and published shall not be postponed.

If according to the provisions above the Valuation Date for a Basket Index is postponed until the third Banking Day prior to the Redemption Date and if on this day the closing level of such Basket Index is still not determined and published or if, in the opinion of the Calculation Agent, a Market Disruption Event occurs with regard to such Basket Index, then the Calculation Agent will calculate the closing level of the Basket Index on such date by applying the calculation method for the Basket Index last in effect. For the purpose of such calculation, the Calculation Agent will calculate the closing level of the Basket Index on the basis of the prices of the securities comprising the Basket Index on such day at the time the closing level of the Basket Index is usually determined (the "**Calculation Time**"). If the trading of one or more securities being relevant for such calculation is limited or suspended on such date, the Calculation Agent will estimate at its own discretion (§ 315 of the German Civil Code (*BGB*)) the price of the relevant securities at the Calculation Time after consultation with an independent expert and in consideration of the prevailing market conditions.

If according to the provisions above the NAV of the Shares for the Valuation Date is not determined for whatever reason (other than in the case of the Substitution of the Fund according to § 3) until the third Fund Business Day prior to the Redemption Date, then the Calculation Agent will determine, in its sole discretion, the NAV of the Shares which would represent its fair market value.

"**Banking Day**" means a day on which commercial banks in Frankfurt am Main are open for business.

"**Basket**" means a basket composed of the following Basket Components:

<b>Basket Components</b>	<b>Strike Price</b>	<b>Weighting of the Basket Component</b>
HSI	Reference Price of the HSI as of the Strike Date	20%
SGY	Reference Price of the SGY as of the Strike Date	20%
TWY	Reference Price of the TWY as of the Strike Date	20%
HSBCINE	Reference Price of the Shares as of the Strike Date	40%

**"Basket Component"** means each Basket Index and the Fund or its Sub-Fund, respectively.

**"Basket Index"** means any of the following:

- the Hang Seng Index (Bloomberg Ticker: HSI Index) (the "**HSI**") as calculated and published by HSI Services Limited (a "**Sponsor**") pursuant to a license granted by Hang Seng Data Services Limited;
- the MSCI Singapore Index (Bloomberg Ticker: SGY Index) (the "**SGY**") as calculated and published by Morgan Stanley Capital International, Inc. (a "**Sponsor**");
- the MSCI Taiwan Index (Bloomberg Ticker: TWY Index) (the "**TWY**") as calculated and published by Morgan Stanley Capital International, Inc. (a "**Sponsor**").

**"Conversion Rate"** means a conversion rate of USD 1 = EUR 1.

**"Fund"** means HSBC Global Investment Funds, an open-ended investment company established as *Société d'Investissement à Capital Variable* (SICAV) under the laws of the Grand Duchy of Luxembourg, or, as the case may be, the Sub-Fund.

**"Fund Business Day"** means each day on which the NAV of the Shares is usually determined and published (or made available) according to the Memorandum.

**"Fund Management"** means the management of the Fund which includes (i) any entity specified in the Memorandum which is responsible for providing investment management advice to the Fund and/or to any relevant third party, and/or (ii) any entity or individual who is responsible to manage the business and the affairs of the Fund, and/or (iii) any individual or group of individuals specified in the Memorandum who is/are responsible for overseeing the activities of the Fund and/or (iv) any entity specified in the Memorandum that is responsible for the administration of the Fund and the determination and publication of the NAV of the Shares.

**"Initial Value of the Basket"** means EUR 100.

**"Market Disruption Event"** with respect to a Basket Index means any suspension of or limitation imposed on trading in the stocks comprising a Basket Index on the stock exchanges or trading systems the prices of which are the basis for the calculation of the respective Basket Index, provided that in the opinion of the Calculation Agent in any such case such suspension or limitation is material for the calculation of the Basket Index.

A limitation on the hours or days of trading does not constitute a Market Disruption Event provided that such limitation results from an announced change in the regular business hours of the relevant stock exchange or trading system. A limitation imposed on trading during the day by reason of movements in price exceeding the limits permitted by the relevant stock exchange or trading system does only constitute a Market Disruption Event if it still occurs at the end of trading on such day.

**"Memorandum"** means the Prospectus in relation to HSBC Global Investment Funds dated December 2004, as amended and supplemented from time to time

**"Multiplier"** means a decimal figure (rounded, if necessary, to the fifth digit, with 0.000005 being rounded upwards) reflecting the Weighting of the respective Basket Component. It is calculated by (i) multiplying the Initial Value of the Basket with the Weighting of the respective Basket Component and (ii) dividing the resulting figure by the Strike Price of the respective Basket Component.

**"NAV"** means the net asset value of a Share as determined and published (or made available) according to the Memorandum.

**"Reference Price"** with respect to a Basket Index means the closing price of such Index as determined and published by the relevant Sponsor (whereby one point of the Index shall be equal to EUR 1), and with respect to the Fund (or Sub-Fund, respectively), the official NAV of the Shares as determined in accordance with the Memorandum and converted into the Issue Currency at the Conversion Rate.

**"Share"** means one share of Indian Equity denominated in U.S. Dollar ("**USD**") (Bloomberg Ticker HSBCINE LX Equity ("**HSBCINE**"), a sub-fund of the Fund.

**"Strike Date"** means 6 December 2007.

**"Strike Price"** is the price detailed as such in the table in the definition of "Basket".

**"Sub-Fund"** means HSBC Global Investment Funds – Indian Equity, which is a sub-fund of the Fund.

**"Substitution Event"** means any of the following events which the Calculation Agent in its sole discretion determines to be a Substitution Event with respect to the Fund and its Shares:

1. The implementation of any change to the terms and conditions of the Fund, as detailed in the Memorandum and as notified in advance by the Fund Management, which, in the sole opinion of the Calculation Agent, is of a material nature including but not limited to such changes as (i) a change in the risk profile of the Fund; (ii) a change in the voting rights, if any, associated with the voting shares of the Fund; (iii) an alteration to the investment objectives of the Fund; or (iv) a change in the currency in which the Share are denominated so that the NAV is quoted in a different currency from that in which it was quoted on the Trade Date;
2. The breach of the investment objectives of the Fund (as defined in the Memorandum) if such breach, in the sole opinion of the Calculation Agent, is of a material nature;
3. The imposition or increase of subscription and/or redemption fees, or taxes or other similar fees, payable in respect of a purchase or redemption of the Shares after the Trade Date;
4. If the Fund Management fails for reasons other than of a technical or operational nature, to calculate the NAV of the Shares for five consecutive Fund Business Days;
5. If the activities of the Fund, its sub-funds and/or the Fund Management are placed under review by their regulators for reasons of wrongdoing, breach of any rule or regulation or other similar reason;
6. The compulsory redemption of the Shares by the Fund for any reason prior to the Redemption Date;
7. If the issue of additional shares of the Fund or its sub-funds or the redemption of existing Shares is suspended and if any such suspension continues for five consecutive Fund Business Days;
8. The winding-up or termination of the Fund or any of its sub-funds for any reason prior to the Redemption Date;
9. If the Fund is superseded by a successor fund (the "**Successor**") following a merger or similar event unless, in the sole opinion of the Calculation Agent, the Successor has similar investment objectives to those of the Fund, is incorporated in the same jurisdiction

as the Fund (or another jurisdiction acceptable to the Calculation Agent), is denominated in the same currency as the Fund and is managed and administered by one or more individuals who, or corporate entities which, are reputable and experienced in their field;

10. The cancellation of the registration, or of the approval, of the Fund and/or the Fund Management by any relevant authority or body;

11. The replacement of the Fund Management by the Fund unless, in the sole opinion of the Calculation Agent, the relevant replacement is an individual or group of individuals who, or a corporate entity which, is reputable and experienced in their field;

12. Any change in the accounting, regulatory or tax treatment applicable with respect to the Fund which could have an economic impact for the Issuer, its affiliates or any other designated hedging entity;

13. Any other event in respect of the Fund which, in the opinion of the Calculation Agent, has an analogous effect to any of the events specified in these Terms and Conditions.

"**Trade Date**" means 5 November 2007.

"**Valuation Date**" means 6 December 2013, subject to postponement in accordance with the provisions stipulated in the definition of "Averaging Date".

"**Value of the Basket**" means the sum of the Reference Prices of the Basket Components on an Averaging Date, each of such Reference Prices multiplied with its relevant Multiplier.

"**Weighting**" with respect to a Basket Component means the percentage detailed as such in the table in the definition of "Basket".

- (3) Upon the occurrence of an event which the Calculation Agent determines to be a Substitution Event in relation to the Fund (the "**Removal Date**"), the Calculation Agent will use reasonable efforts to identify an alternative fund in substitution for the Fund (the "**Successor Fund**"). The Successor Fund will be a fund with similar characteristics, investment objectives and policies to those of the Fund, immediately prior to the occurrence of the Substitution Event.

Any reference made in these Terms and Conditions to the Fund shall, with effect from the Removal Date, be deemed as reference to the Successor Fund and all related definitions shall be amended accordingly. Furthermore, the Calculation Agent will make all necessary adjustments to these Terms and Conditions resulting from a substitution of the Fund.

- (4) If a Basket Index is no longer calculated and published by the relevant Sponsor but by another person, company or institution acceptable to the Calculation Agent as the new Sponsor (the "**Successor Sponsor**"), the Value of the Basket will be calculated on the basis of the respective Index being calculated and published by the respective Successor Sponsor and any reference made to the Sponsor shall, if the context so admits, then refer to the relevant Successor Sponsor.

If at any time a Basket Index is cancelled or replaced, the Calculation Agent will determine another index on the basis of which the Value of the Basket shall be calculated (the "**Successor Basket Index**"). The respective Successor Basket Index as well as the time of its first application will be notified as soon as possible pursuant to § 12. Any reference made to the respective Basket Index in these Terms and Conditions of the Notes shall, if the context so admits, then refer to the respective Successor Basket Index.

If in the opinion of the Calculation Agent a determination of a Successor Basket Index is not feasible (for whatever reason) or if the Sponsor materially modifies the calculation method of a Basket Index with effect on or before an Averaging Date, or materially modifies the Basket Index in any other way (except for modifications which are contemplated in the calculation method of the Index relating to a change with respect to securities comprising the Basket Index or with respect to any other routine measures), the Calculation Agent or an expert appointed by the Issuer will continue the calculation of the Index on the basis of the former concept of the Index and its last determined level. Such continuation has to be published without delay pursuant to § 12.

- (5) All taxes, duties or other charges in connection with the redemption of the Notes are to be borne and paid by the Noteholders.

#### § 4

##### Early Redemption, Repurchase of Notes

- (1) Except as provided in § 10, the Noteholders shall not be entitled to call for a redemption of the Notes prior to the Redemption Date.
2. If the Notes are called for redemption due to an event having occurred as described in § 10, the Notes shall be redeemed at the early redemption amount (the "**Early Redemption Amount**") which shall be determined as the fair market value (disregarding credit risk of the Issuer) minus the reasonable cost to the Issuer of unwinding any related hedging arrangements on such day as is selected by the Calculation Agent in its sole and absolute discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note).
- (3) The Issuer may at any time purchase Notes in the market or otherwise. Notes repurchased by or on behalf of the Issuer may be held by the Issuer, re-issued, resold or surrendered to the Principal Paying Agent for cancellation.

#### § 5

##### Payments

- (1) The Issuer irrevocably undertakes to pay in the Issue Currency, as and when due, all amounts payable pursuant to these Terms and Conditions of the Notes.
- (2) Payment of all amounts payable pursuant to the Terms and Conditions of the Notes will be made against surrender of the Global Note to the Principal Paying Agent for transfer to the Clearing System or pursuant to the Clearing System's instruction for credit to the relevant accountholders of the Clearing System. Any payment in accordance with the Terms and Conditions of the Notes to the Clearing System or pursuant to the Clearing System's instruction shall release the Issuer from its payment obligations under the Notes in the amount of such payment.
- (3) If any payment of principal under the Notes is to be effected on a day other than a Payment Business Day, payment shall be effected on the next following Payment Business Day. In this case, the relevant Noteholders shall neither be entitled to any payment claim nor to any interest claim or other compensation with respect to such delay.

Any reference in these Terms and Conditions to principal in respect of the Notes shall include:

- (a) the Final Redemption Amount of the Notes at the Redemption Date;
- (b) the Trigger Redemption Amount payable upon the occurrence of a Trigger Event instead of the Final Redemption Amount; and
- (c) the Early Redemption Amount in the case of early redemption of the Notes pursuant to § 10.

**"Payment Business Day"** means a day (other than a Saturday or Sunday) on which commercial banks are open for business in London and on which the Trans-European Automated Real-Time Gross settlement Express Transfer system (TARGET-System) and the Clearing System settle payments in Euro.

#### § 6

##### Taxes

- (1) All amounts payable under the Notes will be paid without deduction or withholding for or on account of any present or future taxes, duties or governmental charges whatsoever imposed or levied by or on behalf of the Federal Republic of Germany or any taxing authority therein, unless the Issuer is compelled by a law or other regulation to deduct or withhold such taxes,

duties or governmental charges. In that event, the Issuer shall pay such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts after such deduction or withholding shall equal the amounts that would have been payable if no such deduction or withholding had been made.

- (2) No Additional Amounts shall be payable pursuant to paragraph (1) with respect to taxes, duties or governmental charges:
- (a) for which a Noteholder is liable because of a connection with the Federal Republic of Germany or another member state of the European Union other than the mere fact of his being the holder of the Notes;
  - (b) to which the Noteholder would not be subject if he had presented his Notes for payment within 30 days from the due date for payment, or, if the necessary funds were not provided to the Principal Paying Agent or any other Paying Agent appointed pursuant to § 9 when due, within 30 days from the date on which such funds are provided to the Paying Agents and a notice to that effect has been published in accordance with § 12;
  - (c) which would not be payable if the Notes had been kept in safe custody with, and the payments had been collected by, a credit institution;
  - (d) which are deducted or withheld by a Paying Agent, if the payment could have been made by another Paying Agent without such deduction or withholding; or
  - (e) which are deducted or withheld pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany or another member state of the European Union or the European Union is party, or (iii) any provision of law implementing or complying with, or introduced to conform with, such Directive, regulation, treaty or understanding.
- (3) If at any future time as a result of a change of the laws applicable in the Federal Republic of Germany or a change in their official application, the Issuer is required, or at the time of the next succeeding payment due will be required, to pay Additional Amounts as provided in paragraph (1) the Issuer will be entitled, upon not less than 30 days' and not more than 60 days' notice to be given by publication in accordance with § 12, prior to the Redemption Date to redeem all Notes at the Early Redemption Amount.

No redemption pursuant to this § 6 Paragraph (3) shall be made more than 30 days prior to the date on which such change of the laws or their official application becomes applicable to the Notes for the first time.

## **§ 7**

### **Presentation Periods, Prescription**

The period for presentation of the Notes (§ 801, Paragraph 1, Sentence 1 of the German Civil Code (*BGB*)) shall be ten years and the period of limitation for claims under the Notes presented during the period for presentation shall be two years calculated from the expiry of the relevant presentation period.

## **§ 8**

### **Status**

The obligations under the Notes constitute direct, unconditional and unsecured obligations of the Issuer and rank at least *pari passu* with all other unsecured and unsubordinated obligations of the Issuer (save for such exceptions as may exist from time to time under applicable law).

## **§ 9**

### **Paying Agents; Calculation Agent**

- (1) Commerzbank Aktiengesellschaft shall be appointed as Principal Paying Agent. Commerzbank Aktiengesellschaft shall be appointed as Calculation Agent.
- (2) The Issuer shall procure that there will at all times be a Principal Paying Agent. The Issuer is entitled to appoint other banks of international standing as Principal Paying Agent or as additional paying agent (the additional paying agent and the Principal Paying Agent together, the "**Paying Agents**"). Furthermore, the Issuer is entitled to terminate the appointment of the Principal Paying Agent as well as of individual Paying Agents. In the event of such termination or such bank being unable or unwilling to continue to act as Principal Paying Agent or Paying Agent, the Issuer shall appoint another bank of international standing as Principal Paying Agent or Paying Agent. Such appointment or termination shall be published without undue delay in accordance with § 12.
- (3) The Issuer shall procure that as long determinations have to be made in accordance with these Terms and Conditions of the Notes there shall at all times be a Calculation Agent. The Issuer reserves the right at any time to terminate the appointment of the Calculation Agent. In the event of such termination or of the appointed office of any such bank being unable or unwilling to continue to act as Calculation Agent (as the case may be) the Issuer shall appoint an appropriate office of another leading bank to act Calculation Agent. The appointment of another Calculation Agent shall be published without delay by the Issuer in accordance with § 12.
- (4) The Paying Agents and the Calculation Agent shall be held responsible for giving, failing to give, or accepting a declaration, or for acting or failing to act, only if, and insofar as, they fail to act with the diligence of a conscientious businessman. All determinations and calculations made by the Paying Agents and the Calculation Agent shall be made in conjunction with the Issuer and shall, in the absence of manifest error, be conclusive in all respects and binding upon the Issuer and all Noteholders.
- (5) The Paying Agents and the Calculation Agent acting in such capacity, act only as agents of the Issuer. There is no agency or fiduciary relationship between the Paying Agents and the Calculation Agent on the one hand and the Noteholders on the other hand. The Paying Agents and the Calculation Agent are hereby granted exemption from the restrictions of § 181 of the German Civil Code and any similar restrictions of the applicable laws of any other country.

## **§ 10 Termination**

- (1) Each Noteholder is entitled to declare its Notes due and to require the redemption of its Notes at the Early Redemption Amount pursuant to § 4 paragraph (2) as provided hereinafter, if:
  - (a) the Issuer is in default for more than 30 days in the payment of principal or interest under these Terms and Conditions of the Notes;
  - (b) the Issuer violates any other obligation under these Terms and Conditions of the Notes, and such violation continues for 60 days after receipt of written notice thereof from the respective Noteholder;
  - (c) the Issuer is wound up or dissolved whether by a resolution of the shareholders or otherwise (except in connection with a merger or reorganisation in such a way that all of the assets and liabilities of the Issuer pass to another legal person in universal succession by operation of law);
  - (d) the Issuer ceases its payments and this continues for 60 days, or admits to be unable to pay its debts;
  - (e) any bankruptcy or insolvency proceedings are instituted against the Issuer which shall not have been dismissed or stayed within 60 days after their institution or the Issuer applies for the institution of such proceedings, or offers or makes an arrangement for the benefit of its creditors; or
  - (f) in the case of a substitution of the Issuer within the meaning of § 11 Paragraph (4)(b) any of the events set forth in sub-paragraphs (c)-(e) above occurs in respect of the Guarantor.

The right to declare Notes due shall terminate if the circumstances giving rise to it have been remedied before such right is exercised.

- (2) The right to declare Notes due pursuant to paragraph (1) shall be exercised by a Noteholder by delivering or sending by registered mail to the Principal Paying Agent a written notice which shall state the principal amount of the Notes called for redemption and shall enclose evidence of ownership reasonably satisfactory to the Principal Paying Agent.

## § 11

### Substitution of Issuer, Branch Designation

- (1) Any other company may assume at any time during the life of the Notes, subject to § 11 Paragraph (4), without the Noteholders' consent upon notice by the Issuer given through publication in accordance with § 12, all the obligations of the Issuer under these Terms and Conditions of the Notes.
- (2) Upon any such substitution, such substitute company (hereinafter called the "**New Issuer**") shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under these Terms and Conditions of the Notes with the same effect as if the New Issuer had been named as the Issuer herein; the Issuer (and, in the case of a repeated application of this § 11, each previous New Issuer) shall be released from its obligations hereunder and from its liability as obligor under the Notes.
- (3) In the event of such substitution, any reference in these Terms and Conditions of the Notes (except for this § 11) to the "Issuer" shall from then on be deemed to refer to the New Issuer and any reference to the country of the corporate seat of the Issuer which is to be substituted (except for the references in § 13 to the Federal Republic of Germany) shall be deemed to refer to the country of the corporate seat of the New Issuer and the country under the laws of which it is organised.
- (4) No such assumption shall be permitted unless
  - (a) the New Issuer has agreed to indemnify and hold harmless each Noteholder against any tax, duty, assessment or governmental charge imposed on such Noteholder in respect of such substitution;
  - (b) the Issuer (in this capacity referred to as the "**Guarantor**") has unconditionally and irrevocably guaranteed to the Noteholders compliance by the New Issuer with all payment obligations assumed by it under guarantee terms usually given by the Guarantor with respect to note issues by any of its finance companies and the text of this guarantee has been published in accordance with § 12; and
  - (c) the New Issuer and the Guarantor have obtained all governmental authorisations, approvals, consents and permissions necessary in the jurisdictions in which the Guarantor and/or the New Issuer are domiciled or the country under the laws of which they are organised.
- (5) Upon any substitution of the Issuer for a New Issuer, this § 11 shall apply again.
- (6) The Issuer may at any time, designate by publication in accordance with § 12 any branch (*Betriebsstätte*) of the Issuer outside the Federal Republic of Germany as the branch (*Betriebsstätte*) primarily responsible for the due and punctual payment in respect of the Notes then outstanding and the performance of all of the Issuer's other obligations under the Notes then outstanding.

Paragraphs (4)(c) and (5) of this § 11 shall apply mutatis mutandis to such designation.

## § 12

### Notices

Notices relating to the Notes shall be made to the Clearing-System for communication by the Clearing-System to the Noteholders or directly to the Noteholders. Notices via the Clearing-System shall be

deemed to be effected seven days after the notice to the Clearing-System, direct notices to the Noteholders shall be deemed to be effected upon their receipt.

**§ 13**  
**Final Clauses**

- (1) The form and content of the Notes and the rights and duties of the Noteholders, the Issuer, the Calculation Agent and the Paying Agents shall in all respects be governed by the laws of the Federal Republic of Germany.
- (2) Should any provision of these Terms and Conditions of the Notes be or become void in whole or in part, the other provisions shall remain in force. Void provisions shall be replaced in accordance with the meaning and purpose of these Terms and Conditions of the Notes.
- (3) Place of performance is Frankfurt am Main, Federal Republic of Germany.
- (4) Place of jurisdiction shall be Frankfurt am Main, Federal Republic of Germany.
- (5) The courts of the Federal Republic of Germany shall have exclusive jurisdiction over the annulment of lost or destroyed Notes.